

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
May 13, 2019 - 11:00 A.M.**

BOARD MEMBERS PRESENT:

Ryan LaRowe, Chair
Jim Freeman
Rich Wilson

BOARD MEMBERS ABSENT:

Mike Fuller, Secretary

STAFF AND OTHERS PRESENT:

Drew Ballard, Foster & Foster
John Thinnis, & Co Consulting
Scott Christiansen, Board Attorney
Amber LaRowe, Assistant City Clerk

Chair LaRowe called the meeting to order at 11:01 a.m.

1. AGENDA APPROVAL

Motion: Mr. Freeman moved, Mr. Wilson seconded, and the motion carried 3-0 to approve the May 13, 2019 Police Officers' Pension Board agenda.

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

Motion: Mr. LaRowe moved, Mr. Freeman seconded, and the motion carried 3-0 to approve the February 25, 2019 minutes.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated January and March 2019
- B) &CO Invoice #30288
- C) Anchor Capital Advisors: Invoices Dated January through March 2019
- D) Salem Trust Invoice for January through March 2019
- E) Sawgrass High Quality Core Fixed Income Invoice for Quarter Ending March 2019
- F) Foster & Foster Invoice #14441

Motion: Mr. Freeman moved, Mr. LaRowe seconded, and the motion carried 3-0 to ratify the paid expenses as presented.

5. INVESTMENT REVIEW

Mr. Thinnis presented the end of quarter investment review. The Portfolio was valued at about \$13.3M this quarter, a gain of about \$1M since last quarter. He discussed the performance of the managers for the quarter,

explaining that he is monitoring the performance of the Primecap Odyssey Growth Fund. He had no recommendations at this time.

Mr. Thinner prepared an addendum to the Investment Policy Statement [just for Anchor and Sawgrass to acknowledge the changes as made at the last meeting] that he will be emailing to Mrs. LaRowe for the Chair to sign. Once signed, he will forward to Anchor and Sawgrass for their acknowledgement and email back to Mrs. LaRowe.

6. 2018 ACTUARIAL VALUATION REPORT

Drew Ballard, Foster and Foster, presented the 2018 Actuarial Valuation Report. Last Fiscal Year, the minimum required contribution was 39.07 percent of payroll; this Fiscal Year the required contribution is 34.74 percent of payroll. The Unfunded Actuarial Accrued Liability is 1,829,372 reduced from last year's amount of 2,555,172. The Funded Ratio increased from 82.6 percent to 87.6 percent.

Mr. LaRowe asked Mr. Ballard if there would be a cost savings to the Plan if the retirement years of service was increased from 23 years of service to 25 years of service. Mr. Ballard stated there would be some savings potentially yes depending on the parameters. He stated if current employees were kept at the age of 23 and the 25 years of services was only applicable to new hires then there would be no cost savings immediately. Mr. LaRowe stated that his reason for thinking about the potential increase in years of service was to allow the Plan to consider implementing a cost of living increase (COLA) to the current retirees of the Plan. Discussion ensued on COLA and years of service.

Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 3-0 to authorize Foster and Foster to determine the savings to the Plan to increase the years of service for all active employees from 23 years of service to 25 years of service unless the active employee is already at 23 years of service or more and to present a breakdown of a 1 percent COLA to the pension after a retiree has been retired for one year and then for five years to include all normal, early, and disability in line of duty retirees. The COLA would be added to the retirees pensions every year until they pass away.

Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 3-0 to adopt the October 1, 2018 Actuarial Valuation Report.

7. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. SEPARATED NON VESTED EMPLOYEES

- Jose Acosta

C. SEPARATED VESTED EMPLOYEES

- None

D. RETIRED EMPLOYEES

- None.

E. DECEASED RETIREES

- None

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: **Mr. Freeman moved, Mr. Wilson seconded, and the motion carried 3-0 to approve the Benefits Disbursements as presented.**

8. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- None

9. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen informed the Board that they need to make a motion to declare an assumed expected rate of return.

Motion: **Mr. Freeman moved, Mr. LaRowe seconded, and the motion carried 3-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of investment return for the next year, the next several years, and the long-term thereafter shall be 7%, net of investment related expenses.**

10. PLAN ADMINISTRATOR'S REPORT

Chair LaRowe adjourned the meeting at 11:52 a.m.

MINUTES APPROVED: August 26, 2019

Mike Fuller

MIKE FULLER
SECRETARY